

E-Filed On July 27, 2006

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 Attorneys for the Official Committee
 of Holders of Executory Contract Rights through
 USA Commercial Mortgage Company ("Official Committee of
 Direct Lenders")

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

Affects:
☒ All Debtors
☐ USA Commercial Mortgage Company
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC
☐ USA Securities, LLC

Case Nos.:
 BK-S-06-10725-LBR
 BK-S-06-10726-LBR
 BK-S-06-10727-LBR
 BK-S-06-10728-LBR
 BK-S-06-10729-LBR

JOINTLY ADMINISTERED
 Chapter 11

**OFFICIAL COMMITTEE
 OF DIRECT LENDERS
 OPPOSITION TO DEBTORS'
 MOTION FOR ORDER
 APPROVING CONTINUED
 USE OF CASH THROUGH
 OCTOBER 29, 2006,
 PURSUANT TO THIRD
 REVISED BUDGET**

Date: August 4, 2006
 Time: 9:30 a.m.

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1 On May 22, 2006, this Court entered its Second Order Approving Debtors' Cash
2 Management Procedures and Cash Usage ("Cash Order"). Generally, the Cash Order authorized
3 the Debtors to fund the operation and administration of their respected estates through their one
4 percent (1%) annual servicing fee the Debtor receives for ongoing collections in its capacity as a
5 loan servicer. Otherwise, the Court ordered the segregation of all principal and interest received
6 from ongoing collections.
7

8 On July 7, 2006, Debtors filed their Motion for Order Approving Continued Use of Cash
9 Through October 29, 2006 Pursuant to Third Revised Budget ("Third Budget"). As set forth in
10 the Third Budget, Debtors are only seeking to use funds in the separate DIP Collection Account
11 to the extent they have contractual rights to "collect servicing fees and other fees and costs." See
12 Motion page 4 line 10. The Debtors further acknowledge that they are "not seeking permission
13 to use any funds being held in the separate DIP Investor Account . . ." Id. at line 8.
14

15 Here, the Debtors are not seeking, and the Official Committee of Direct Lenders sees no
16 justification for, Debtors funding their ongoing operations from anything other than from the
17 proceeds they receive from post-petition loan servicing fees. To the extent Debtors seek to use
18 the Amended Budget as a means to obtain Court approval to enter into loan extension or exercise
19 remedies against Direct Lenders or "pre-paid interests," the Official Committee of Direct
20 Lenders object. Instead the Debtors' should be limited to funding the operation and
21 administration of their estates through only the one percent (1%) annual servicing fee and other
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1 maintenance fees earned on a post-petition basis. Otherwise, all funds received on account of
2 principal and interest must be segregated.

3 DATED this 27th day of July, 2006.

4 GORDON & SILVER, LTD.

5
6 By: 

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